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Contact: Jay Ziegler
Helaine
(202) 395-3230

**FOREIGN SHARE OF THE JAPANESE SEMICONDUCTOR MARKET
REACHES 32.7% IN THE FOURTH QUARTER**

Foreign share of the Japanese semiconductor market rose slightly to 32.7% in the fourth quarter of 1997, up slightly from the third quarter, but below the record high of 35.8% attained in the second quarter. Overall, the 1997 average share was 33.3% compared with 27.5% in 1996, and 25.4% in 1995.

Although total foreign sales decreased between the third and fourth quarter, U.S. sales remained essentially flat or only decreased slightly between the two periods. At the same time, however, the Japanese market contracted by more than 10 percent, mainly due to reduced DRAM production. (The Japanese market has been shrinking since reaching a high in mid-1995.) The combination of these factors is a small increase for both U.S. and total foreign share.

“I am reassured to see that the foreign share of the Japanese semiconductor market has regained its upward trajectory after a temporary set-back in the third quarter,” said Ambassador Charlene Barshefsky. “I also am pleased that the average annual share for 1997 is almost six percentage points above the average for 1996 and that interest in international industry cooperative activities is at an all-time high. However, it is important to recognize that this growth has occurred in a shrinking market, which once again underscores the need for Japan to take meaningful steps to stimulate the economy.”

Foreign Market Share

Q3 1991	14.3%
Q4 1991	14.4%
Q1 1992	14.6%
Q2 1992	16.0%
Q4 1992	15.9%
Q1 1993	20.2%
Q2 1993	19.6%
Q3 1993	19.2%
Q4 1993	18.1%
Q1 1994	20.7%
Q2 1994	21.9%
Q3 1994	23.2%
Q4 1994	23.7%
Q1 1995	22.8%
Q2 1995	22.9%
Q3 1995	26.2%
Q4 1995	29.6%
Q1 1996	26.9%
Q2 1996	26.4%
Q3 1996	27.1%
Q4 1996	29.4%
Q1 1997	32.6%
Q2 1997	35.8%
Q3 1997	32.1%
Q4 1997	32.7%

